

Message Text

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PAGE 01 STATE 011011

63

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C O N F I D E N T I A L STATE 011011

E.O. 11652: GDS

TAGS: MASS, SP

SUBJECT: SPANISH BASE NEGOTIATIONS: REVISED TEXT OF
SUPPLEMENTARY AGREEMENT NO. 7 ON MATERIEL FOR THE ARMED
FORCES

1. THERE FOLLOWS TEXT OF US COUNTERDRAFT OF SUPPLEMENTARY
AGREEMENT ON MATERIEL FOR THE ARMED FORCES (NO. 7)
ARTICLE-BY-ARTICLE COMMENTARY ON TEXT SENT SEPTEL.

2. BEGIN TEXT: QUOTE ARTICLE 1: THE GOVERNMENT OF THE
UNITED STATES WILL ISSUE REPAYMENT GUARANTIES UNDER ITS
FOREIGN MILITARY SALES PROGRAM TO FACILITATE THE EXTENSION
OF LOANS TO THE GOVERNMENT OF SPAIN BY ELIGIBLE LENDERS
FOR THE PURPOSE OF FINANCING THE PURCHASE BY THE GOVERNMENT
OF SPAIN OF DEFENSE ARTICLES AND DEFENSE SERVICES IN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 011011

FURTHERANCE OF THE PRESENT (TREATY) ON FRIENDSHIP AND

COOPERATION. THE AGGREGATE PRINCIPAL AMOUNT OF LOANS GUARANTEED BY THE GOVERNMENT OF THE UNITED STATES IN ACCORDANCE WITH THIS ARTICLE SHALL TOTAL \$120,000,000 DURING EACH OF THE FIVE YEARS DURING WHICH THE PRESENT (TREATY) ON FRIENDSHIP AND COOPERATION SHALL REMAIN IN FORCE.

ARTICLE 2: 1. THE GOVERNMENT OF THE UNITED STATES WILL FURNISH DEFENSE ARTICLES TO THE GOVERNMENT OF SPAIN ON A GRANT BASIS WITH A VALUE OF \$75,000,000 OVER THE PERIOD DURING WHICH THE PRESENT (TREATY) ON FRIENDSHIP AND COOPERATION SHALL REMAIN IN FORCE.

2. IN ADDITION, THE GOVERNMENT OF THE UNITED STATES WILL CONTINUE TO FURNISH ON A GRANT BASIS TRAINING FOR PERSONNEL OF THE ARMED FORCES OF SPAIN. THE VALUE OF SUCH TRAINING SHALL BE \$1,000,000 DURING EACH OF THE FIVE YEARS IN WHICH THE PRESENT (TREATY) ON FRIENDSHIP AND COOPERATION SHALL REMAIN IN FORCE.

ARTICLE 3: ALL DEFENSE ARTICLES OR DEFENSE SERVICES FURNISHED TO THE GOVERNMENT OF SPAIN IN ACCORDANCE WITH THIS AGREEMENT SHALL BE FURNISHED SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE MUTUAL DEFENSE ASSISTANCE AGREEMENT OF SEPTEMBER 26, 1953 BETWEEN THE TWO GOVERNMENTS, EXCEPT THAT ARTICLE I, PARAGRAPH 3, OF THAT AGREEMENT SHALL NOT APPLY TO DEFENSE ARTICLES AND DEFENSE SERVICES PURCHASED BY THE GOVERNMENT OF SPAIN PURSUANT TO THIS AGREEMENT. IN ADDITION TO SUCH TERMS AND CONDITIONS, THE GOVERNMENT OF SPAIN AGREES THAT THE NET PROCEEDS OF SALE RECEIVED BY IT IN DISPOSING OF ANY WEAPON, WEAPONS SYSTEM, MUNITION, AIRCRAFT, MILITARY VESSEL, OR OTHER IMPLEMENT OF WAR, INCLUDING SCRAP THEREFROM, FURNISHED ON A GRANT BASIS BY THE GOVERNMENT OF THE UNITED STATES, WILL BE PAID TO THE GOVERNMENT OF THE UNITED STATES AND SHALL BE AVAILABLE TO PAY THE OFFICIAL COSTS OF THE GOVERNMENT OF THE UNITED STATES PAYABLE IN THE CURRENCY OF SPAIN, INCLUDING ALL COSTS RELATING TO THE FINANCING OF INTERNATIONAL EDUCATIONAL AND CULTURAL EXCHANGE ACTIVITIES IN WHICH THE GOVERNMENT OF SPAIN PARTICIPATES. CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 011011

DEFENSE ARTICLES AND DEFENSE SERVICES ARE FURNISHED PURSUANT TO THIS AGREEMENT EXCLUSIVELY FOR LEGITIMATE SELF-DEFENSE, OR FOR PARTICIPATION IN COLLECTIVE MEASURES CONSISTENT WITH THE CHARTER OF THE UNITED NATIONS OR REQUESTED BY THE UNITED NATIONS FOR THE PURPOSE OF MAINTAINING OR RESTORING INTERNATIONAL PEACE AND SECURITY.

ARTICLE 4: THE GOVERNMENT OF THE UNITED STATES AGREES TO

MAKE THE MAXIMUM EFFORT TO FACILITATE THE PURCHASE BY THE GOVERNMENT OF SPAIN OF FOUR COMPLETE SQUADRONS (OF 18 AIRCRAFT EACH) OF F-16 LIGHTWEIGHT FIGHTER AIRCRAFT OR OTHERS OF SIMILAR CHARACTERISTICS.

ARTICLE 5: THE GOVERNMENT OF THE UNITED STATES AGREES TO FINANCE UP TO 50 OF THE COST OF MODERNIZING, SEMI-AUTOMATING AND MAINTAINING THE EXISTING AIRCRAFT CONTROL AND WARNING NETWORK UTILIZED BY THE UNITED STATES AIR FORCE IN SPAIN, BUT THE TOTAL AMOUNT OF SUCH FINANCING SHALL NOT EXCEED \$50,000,000. DETAILS OF SUCH MODERNIZATION, SEMI-AUTOMATION, AND MAINTENANCE SHALL BE SET FORTH IN A PROCEDURAL ANNEX.

ARTICLE 6: WITH REGARD TO JOINT USE FACILITIES ENJOYED BY THE ARMED FORCES OF THE UNITED STATES AND OF SPAIN, THE TWO PARTIES SHALL MUTUALLY AGREE ON THE RESPECTIVE PERCENTAGES OF THE COST OF PARTICIPATION IN SUCH PROJECTS TO BE CHARGED TO THE DEFENSE BUDGET OF EACH COUNTRY.

ARTICLE 7: THE GOVERNMENT OF THE UNITED STATES WILL OFFER FOR SALE TO THE GOVERNMENT OF SPAIN, AT A FAVORABLE PRICE CONSISTENT WITH APPLICABLE LAW, NAVAL VESSELS OF THE FOLLOWING QUANTITIES AND TYPES: FOUR MSO OCEANGOING MINESWEEPERS, AND ONE ARL MINESWEEPER TENDER.

ARTICLE 8: THE GOVERNMENT OF THE UNITED STATES AGREES TO GIVE PROMPT CONSIDERATION TO PROPOSALS FOR THE TRANSFER TO SPAIN OF TECHNICAL DATA, EQUIPMENT AND MATERIALS FOR THE PRODUCTION IN SPAIN OF SELECTED DEFENSE ARTICLES. IN EACH CASE SUCH PRODUCTION WILL BE SUBJECT TO SPECIFIC AGREEMENT BETWEEN THE TWO GOVERNMENTS.

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PAGE 04 STATE 011011

ARTICLE 9: (ARTICLE ON F-4 AIRCRAFT - NOT YET RESOLVED. SEE COMMENTS SEPTEL).

ARTICLE 10: IT IS EXPRESSLY UNDERSTOOD BY THE TWO GOVERNMENTS THAT THE UNDERTAKINGS OF THE GOVERNMENT OF THE UNITED STATES PROVIDED FOR IN THIS AGREEMENT WILL BE CARRIED OUT IN ACCORDANCE WITH, AND SUBJECT TO, APPLICABLE

PROVISIONS OF UNITED STATES LAW AND ARE CONDITIONED UPON THE APPROPRIATION OF THE NECESSARY FUNDS BY THE UNITED STATES CONGRESS.

ARTICLE 11: THIS AGREEMENT WILL ENTER INTO FORCE AND REMAIN IN FORCE CONTEMPORANEOUSLY WITH THE PRESENT (TREATY) ON FRIENDSHIP AND COOPERATION BETWEEN THE UNITED

STATES AND SPAIN.

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